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Title: Expansion of Regional Rural Banks in the Country for improving credit delivery mechanism.

SHRI P. KARUNAKARAN (KASARGOD): Regional Rural Banks (RRBs) have emerged as the third arm for delivering rural credit. The recommendation of Rangarajan Committee about the role of RRBs on "Financial inclusion" has not been made public. This should be made public. It is very necessary that RRBs should cover all the uncovered areas of the country. So far, 80 districts and the States of Sikkim, Goa, Andaman, Lakshadweep are uncovered. Though the productivity of RRBs has been increased nearly five times but no recruitment is taking place since 1990. The expansion is only possible with the manpower planning supported by immediate recruitment and promotion. The report submitted by the task force appointed by the RBI which had a detailed Manpower planning lined with business and other factors must be implemented immediately.

The Task force appointed by RBI with Shri K.G. Karmakar, MD, NABARD have recommended in favour of State level RRB. If such State-level RRBS are formed having one Apex rural at the top then, this will reduce the present number of RRBs and also the loss making RRBs and ensure unique and uniform rural bias. This will also ensure cross subsidization. Bank will be able to provide credit to priority sector on directed rate of interest. Surplus funds can boost investment in electricity, irrigation etc which can enhance GDP in Agriculture production, will provide funds to State Governments on reasonable rate to accelerate development process and completion of projects within the scheduled time. This will also reduce burden on State Government.

I urge upon the Government to implement the findings of the Task Force appointed by RBI to strengthen the RRBs.